



# Annual Report

July 1, 2001 - June 30, 2002



Christine Yorozu, Chair  
Gerald Marsh, Vice Chair  
Lois Clement, Secretary  
Susan Brady, Commissioner  
Mike Connelly, Commissioner

*"We build public confidence in the political process and government."*

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# Mission Statement

The Public Disclosure Commission was created and empowered by an Initiative of the People to provide timely and meaningful public access to information about the financing of political campaigns, lobbyist expenditures, and the financial affairs of public officials and candidates, and to ensure compliance with contribution limits and other campaign finance restrictions.

## Agency Goals and Objectives

**(1) All filers will submit required reports in a complete, timely, and accurate fashion and otherwise be in compliance with the law (e.g. contribution limits and other restrictions).**

- Filers will be encouraged to file their reports electronically.
- All requests for the PDC to conduct candidate and treasurer workshops will be accommodated.
- Filers will have access to forms, manuals, and other instructional materials over the Internet. Requests for materials by those without access to the Internet will be processed on the same day as the request is received.
- A member of the staff will always be available during business hours to respond to callers asking filing questions.
- The Commission will promulgate, in accordance with Executive Order 97-02, any necessary rules, policies, and interpretations to provide guidance under the Law, and will provide timely responses to written requests for advice.
- The Commission will perform a sufficient number of audits to provide a statistically valid finding regarding the degree of compliance with the law.
- The Commission will hold enforcement hearings and, where appropriate, penalize filers who have not, after receiving reminder notices, filed the required reports.
- The Commission will seek to recover through the judicial process the payment of penalties from those who fail to pay the assessments levied against them.

**(2) The public will have timely and convenient access to filed reports and the ability to access data in ways that are most useful and best suit their individual needs.**

- Filed reports will be safely stored and efficiently organized.
- Images or copies of filed reports, frequently requested material, and other items of interest will be available on the Internet, on computers in the agency's lobby, and by mail, fax and email.
- The time between receipt of a filing and scanning of the report into the imaging system will be in accordance with the access goals established by RCW 42.17.461.

- The time between physical receipt of a filing and its availability on the Internet will be in accordance with the access goals established in RCW 42.17.461.
- The time between receipt of a filing and entry of selected information into the database will be reduced.
- The amount of information entered into the database from filed reports will increase.
- The number of reports from which data is entered into the database will increase.
- The web site query system will be continually modified to satisfy user needs.
- PDC staff will continually conduct quality assurance checks to verify the accuracy of data entered into the database.
- Filers will be encouraged to file their reports electronically.

**(3) The Public Disclosure Commission will provide technological improvements to filers to facilitate record keeping and reporting and, ultimately, to promote compliance with the law.**

- The Commission will develop user-friendly, platform independent Internet-based electronic filing programs for lobbyists, lobbyist employers, campaign filers and persons required to file personal financial affairs reports.
- PDC will recruit and consult with filer focus groups during the development of the various filer reporting programs in order to address the specific needs of users.
- PDC will publish detailed written instructions on how to use the electronic filing program.
- At least one PDC information technology specialist experienced in the operation of the reporting programs will always be available during business hours to assist electronic filers.
- PDC will conduct electronic filing training sessions upon request and will also schedule frequent training sessions that correspond with:
  - the start of legislative sessions,
  - the February deadline for lobbying employer reports,
  - the time frame for filing declarations of candidacy,
  - the April 15 due date for the annual personal financial affairs statement, and
  - other times that meet the needs of filers.

## General Information

The Public Disclosure Commission was established in 1973 as a result of Initiative 276, passed by voters in November, 1972.

- Statutory Reference Code--Revised Code of Washington 42.17
- Employees/Full Time Equivalents (FTEs)  
One FTE=2,088 paid hours of work per year by one or more individuals.
  - 18 Classified employees
  - 4 Washington Management Service employees
  - 3.5 Exempt employees
- Operating Budget—FY 2002: General Fund State \$1,872,678\*

### Allocation of FY 2002 Allotment

ITEM	APPROPRIATION	ACCESS	%	ENFORCEMENT	%	ADMINISTRATION	%
Salaries and Benefits	\$1,300,827	\$936,595	72%	\$208,132	16%	\$156,099	12%
Personal Services Contracts							
Travel	\$13,365	\$5,346	40%	\$6,683	50%	\$1,337	10%
Equipment (over \$5,000)	\$7,000	\$7,000	100%				
Goods & Services - Total	\$551,486	\$220,594	40%	\$226,109	41%	\$104,782	19%
<b>TOTAL</b>	<b>\$1,872,678</b>	<b>\$1,169,536</b>	<b>62%</b>	<b>\$440,924</b>	<b>24%</b>	<b>\$262,218</b>	<b>14%</b>

\*Initial appropriation of \$1,946,610 adjusted as follows: \$57,000 transferred to FY 2003 and \$16,932 eliminated for reduced insurance and revolving fund costs.

The Public Disclosure Commission's office is located at:

711 Capitol Way, Room 206  
PO Box 40908  
Olympia WA 98504-0908

Telephone: 1 (877) 601-2828 (Toll free)  
(360) 753-1111  
Fax: (360) 753-1112  
Web site: [www.pdc.wa.gov](http://www.pdc.wa.gov)  
Email: [pdc@pdc.wa.gov](mailto:pdc@pdc.wa.gov)

## Commission Members

The Commission is composed of five citizen members appointed by the Governor and confirmed by the State Senate. Each Commissioner serves a staggered term of five years, and no more than three members can be affiliated with the same political party. Commissioners may not participate in any way in any election campaign, nor are they able to lobby, except on Commission business matters permitted by RCW 42.17.190.

The Commission hires the executive director, sets agency policy and adjudicates enforcement matters.

Commission members are:

### **CHRISTINE YOROZU, CHAIR**

Commissioner Yorozu was appointed to the Public Disclosure Commission by Governor Gary Locke on July 28, 1999, and confirmed by the State Senate on April 21, 2001. Her term ends December 31, 2002.

Ms. Yorozu has extensive experience in state and local government. She is a former Communications Director for the Washington State Department of General Administration, Public Relations Director for the Washington State Lottery and she provided program and personnel services to the King County Department of Transportation.

She has served as agency spokesperson, coordinated legislative activities, and developed, managed and coordinated statewide communications programs.

Ms. Yorozu has worked as a legislative coordinator for the Secretary of State, as caucus staff member with the Washington State House of Representatives and has been involved in initiative and candidate election campaigns.

Ms. Yorozu attended Highline Community College and the University of Washington. She is active in the community, having served as a board member of the Asian Counseling and Referral Service. She currently serves on the Nikkei Concerns Board of Directors in Seattle.

### **GERALD MARSH, VICE CHAIR**

Commissioner Marsh was appointed to the Public Disclosure Commission by Governor Gary Locke on January 21, 2000, and confirmed by the Washington State Senate on March 9, 2000. Mr. Marsh resigned from the Public Disclosure Commission on June 12, 2002.

Mr. Marsh is a former officer with the Washington State Carpenters Union and the Washington State Building Trades Council. He served as a registered lobbyist for the Carpenters Unions in conjunction with the Washington State Building and Construction Trades Council and the Washington State Labor Council.

Mr. Marsh worked as a carpenter, carpenter foreman and construction superintendent until he was elected to Union Office in 1974.

He was Vice President District 1-S of the Washington State Good Roads and Transportation Association, served on the Governor's Building Code Advisory Board, the Labor Management Construction Industry Task Force and worked on the development of the Construction Advisory Council partnering with labor, management and government to develop health and safety standards in the construction industry.

Mr. Marsh attended numerous labor related courses at the University of Washington, completed the Green River Community College Labor Law course, and attended George Meany Labor Studies Center in Silver Springs, Maryland. He is a United States Navy veteran and active in the Christmas in April Program, Habitat for Humanity, and is Chair of the North Renton Neighborhood Association.

### **LOIS CLEMENT, SECRETARY**

Commissioner Clement was appointed to the Public Disclosure Commission by Governor Gary Locke on February 23, 2002, with Senate confirmation occurring on March 14, 2002. Her term expires on December 31, 2005.

Ms. Clement retired after thirty years of service with the Bellingham Public Library. She spent eight years as head of the Circulation Department and twenty years managing the Materials Budget and Acquisitions Division for the library.

Ms. Clement is Past President of the American Federation of State, County and Municipal Employees Union, Council 2, in Bellingham and served on the AFSCME Executive Board for many years. She has been active in the Democratic Party and has managed many candidate campaigns.

Ms. Clement served on the Washington State Retirement Advisory Board from 1991 to 1993 and was a board member of the Retired Senior Volunteer Program (RSVP) in Whatcom County.

Ms. Clement pursued nurses training in Vancouver, B.C. and library studies at Whatcom County Community College.

**SUSAN BRADY**

Commissioner Brady was re-appointed to a full term on the Public Disclosure Commission by Governor Gary Locke on January 1, 1999, and confirmed by the Washington State Senate on April 15, 1999. Her term expires on December 31, 2003.

Ms. Brady is a public affairs professional who has developed, designed and produced public relations programs for the Office of the Attorney General while holding the position of Director of Public Affairs from 1988 to 1993. Ms. Brady has extensive political campaign experience in state political party politics and in managing two statewide candidate campaigns.

Ms. Brady has worked in the private sector as a manager with Clarion Imports and the Mercer Point Wine Company.

Ms. Brady graduated from Pacific Lutheran University. She holds a Bachelor of Arts degree in Political Science.

**MICHAEL CONNELLY**

Commissioner Connelly was appointed to the Public Disclosure Commission by Governor Gary Locke on April 2, 2002. His term expires on December 31, 2006.

Mr. Connelly is currently serving as City Attorney for the City of Spokane, Washington and Adjunct Professor at the Gonzaga School of Law. Since 1981, he has practiced law, emphasizing municipal issues, personal injury, family law and all aspects of civil litigation.

Mr. Connelly was a candidate for the State House of Representatives from the 9<sup>th</sup> Legislative District in 1999 and has served on the Town of Latah City Council, Liberty School District Board of Directors and the West Central Community Center and Spokane Community Center Board of Directors.

He has also had the opportunity to serve as a pro-tem hearing examiner, superior court commissioner, and an adjunct professor at Eastern Washington University.

Mr. Connelly graduated from the University of Washington with a Bachelor of Arts degree in History and Education and has a Juris Doctorate degree from Gonzaga School of Law.



## **FRANCIS MARTIN**

Commissioner Martin was appointed to the Public Disclosure Commission by Governor Gary Locke on June 21, 2002 to fill an unexpired term that ends on December 31, 2004.

Mr. Martin is a retired firefighter. He worked 25 years for the City of Yakima and served on the Executive Board of the Yakima Firefighters Association, IAFF Local 469, for twenty years, with three terms as Union President.

Mr. Martin is active in the horse racing industry serving as Racing Secretary for Sun Downs in Kennewick, Western Montana Fair and Northwest Fair and an Official Starter at Sun Downs, Playfair, Harbor Park and Yakima Meadows.

Mr. Martin attended Yakima Valley Community College and received training in Fire Investigation from Central Washington University. He also received Aircraft Rescue and Fire Fighter training from Big Bend Community College.

## **RONDA CAHILL**

Commissioner Cahill was appointed to the Public Disclosure Commission by Governor Gary Locke on February 21, 1997, and confirmed by the Washington State Senate on April 12, 1999. Her term expired on December 31, 2001.

Mrs. Cahill was a former political consultant in Nevada prior to moving to Spokane in 1991. She conducted a number of statewide campaigns including Gubernatorial, Lt. Governor and Attorney General elections as well as numerous legislative and local government races. She has served as a member of the Awards Committee for The Council on Governmental Ethics Laws (COGEL) an organization that is the international liaison for government agencies and organizations concerned with ethics, elections, campaign finance and lobbying laws.

Mrs. Cahill was manager of the Church of Jesus Christ of Latter-day Saints Data Entry Project developing genealogical data bases that are currently utilized throughout the world. She served as a Deputy County Treasurer and as an intergovernmental relations expert for a Las Vegas development firm.

She has extensive experience in the marketing, human resources and legislative arenas.

Mrs. Cahill attended Clark County Community College and was elected as Spokane County Democratic State Committeewoman for two terms. She is a life member of PTA and active in the U.S. Humane Society.

**VICKI RIPPKE, EXECUTIVE DIRECTOR**

Ms. Rippke has been employed by the Public Disclosure Commission since 1987, and became the agency's Executive Director on May 15, 2000. She also served as Acting Director for eight months. From 1994 to 1999, she held the position of Assistant Director for Public Information and Policy Development.

Ms. Rippke relocated to Washington from Alaska in 1987. She was employed as Assistant Director of the Alaska Public Offices Commission, PDC's counterpart in the 49th state, a special assistant to the Mayor of Anchorage and has held legislative staff positions in Wisconsin. She graduated from the University of Wisconsin-Madison in 1976.

## **Major Accomplishments**

### **Agency Request Legislation**

During the 2002 legislative session, the PDC was successful in getting legislation passed that changed the filing date for C-3 reporting from Friday to Monday, and amended the definition of the primary and general election. (HB2320).

The agency requested additional legislation that did not pass. That bill, HB 2321, would have:

- Increased the maximum fine that the Commission could impose from \$1,000 to \$4,000 for a single violation and from \$2,500 to \$10,000 for multiple violations;
- Increased from 45 days to 60 business days the time in which the Attorney General must bring an action resulting from a citizen action letter;
- Required the return of contributions that exceeded limits; and
- Authorized the Commission to require public officials and employees who used public resources to assist campaigns to pay restitution and penalties with non-public funds in spite of an objection from the respondent.

### **Information Technology**

As part of the ongoing efforts to optimize and automate agency processes, the following technological enhancements and projects were produced:

- Developed an integrated, on-line web-based electronic filing solution for Lobbyists, Lobbyist Employers and Personal Financial Affairs filers in order to capture data and create images of information for the “View Reports” feature of the web site.
- Redesigned the agency Web Site to use dynamic Active Server Page (ASP) technology in order to simplify administration and to update the site’s design and improve its visual appearance and enhance end user performance.
- Developed a replacement upload utility critical in the migration of the electronic filing system to the new modernized platform and infrastructure.
- Added web site enhancements to assist the visually impaired and accommodate Window Eye’s software.
- Completed major activities in legacy SDR system and migrated to a more robust SQL database running on the Windows 2000 platform and updated infrastructure.
- Revised the upload utility into a web based application to isolate potential security issues and simplify application logging/use.
- Received a license and was provided access from NIC Technologies to the WEDS client software FoxPro source code.
- Revised the WEDS electronic help file and updated the WEDS client software to accommodate forms changes and business rules changes for the “more than \$100” rule.

- Commenced the WEDS replacement project, codenamed ORCA, and began the Unified Modeling Language (UML) design and Rational Unified Process (RUP) to begin development of a new client campaign tracking and electronic filing software package.
- Developed lobbyist summary reports using Seagate crystal reports, providing internet access to compiled lobbyist expense information.
- Developed an SQL database and data entry front end to provide an internet accessible on-line crystal report and adobe Acrobat file of images for Last Minute Contributions of \$1,000 or more to campaigns.
- Performed numerous queries and reports for the creation of the 2000 Election Financing Fact Book.
- Conducted 39 WEDS end user training sessions in various locations throughout the state to train more than 400 individuals on how to track campaign finances and report them electronically using the WEDS software.

### **Policy Making Activity**

The Public Disclosure Commission formally amended twelve disclosure rules, repealed four rules and adopted seven new rules. The rules are identified below:

#### **Adopted**

WAC 390-17-302 Contributions after the primary election  
 WAC 390-18-025 Political advertising—Identification of “top five contributors”  
 WAC 390-19-010 Intent of electronic filing  
 WAC 390-19-020 Electronic filing—Mandatory filing  
 WAC 390-19-030 Electronic filing—Reporting threshold  
 WAC 390-19-040 Electronic filing—Verification and amendments  
 WAC 390-19-050 Electronic filing—Exceptions

#### **Amended**

WAC 390-05-400 Changes in dollar amounts  
 WAC 390-16-031 Forms for statement of contributions deposit  
 WAC 390-16-034 Additional reporting requirements  
 WAC 390-16-041 Forms—Summary of total contributions and expenditures  
 WAC 390-16-050 Forms for contributions and expenditures of out-of-state or federal political committees  
 WAC 390-16-055 Forfeiture of contributions received from out-of-state or federal political committees  
 WAC 390-16-060 Forms for report of independent expenditures  
 WAC 390-16-071 Annual report of major contributors and persons making independent expenditures  
 WAC 390-16-115 Mini campaign reporting—Conditions for granting use  
 WAC 390-16-125 Mini campaign reporting—Exceeding limitations  
 WAC 390-17-030 Sample ballots and slate cards  
 WAC 390-17-060 Exempt activities—Definitions, reporting

### Repealed

- WAC 390-16-120 Abbreviated campaign reporting—Times and place for filing reports C-1, C-1pc and C-4abb
- WAC 390-16-155 Mini campaign reporting—Exceeding limitations
- WAC 390-16-190 Electronic Filing
- WAC 390-17-011 Caucus of the state legislature—Definition

In addition to rule making, the Commission considered an advisory issue and adopted three formal interpretations of chapter 42.17 RCW.

In August, 2001, the Commission voted to approve the “Guidelines for School Districts in Election Campaigns.” These guidelines later became the subject of a court challenge resulting in a permanent injunction barring distribution of the Guidelines. For further information, see Litigation below.

The interpretations related to:

- Participation in Fund Raising Events by State Officials During Legislative Freeze Period
- Contributions to State Office Candidates Who Lose the Primary Election
- 2002 Contribution Limits From Bona Fide Political Party Committees and Caucus Political Committees to Legislative Candidates

### **Filer Assistance and Training**

In order to achieve the goal that all filers will file timely and accurate reports, the Commission provides materials and training opportunities to filers. The materials include instructional manuals, brochures and notices to candidates and political committees. These materials are available in hard copy or on the PDC’s website. Staff also conducted 72 training workshops across the state, including 12 candidate and political committee workshops and 39 software training sessions. Approximately 1,800 people attended training of one type or another.

Staff continues to provide individual one-on-one advice and assistance to filers who call or come into the office. From July 1 through election day of 2001, one information technology employee spent over 85% of his time during this period assisting electronic filers comply with the law. Another IT employee spent approximately 20% of his time assisting filers. During this same time period, the compliance staff spent approximately 40% of their time answering electronic mail, telephone and walk-in inquiries regarding the disclosure law or electronic filing questions.

### **Disclosure**

The ability to obtain data in ways that are most useful is a key agency goal. The Commission has accomplished this goal by providing timely and convenient access to filed reports through its website. During FY 2002, the PDC received, through paper filings or electronically, 67,414 reports from candidates, elected and appointed officials,

lobbyists, lobbyist employers and political committees. These filings translated into 130,591 pages that were then processed. Reports filed electronically are immediately available on the Internet. Reports filed on paper are available on the Internet the same day received.

Since its inception, the Commission continues the desire to respond promptly to requests for information from the agency's many clients. During FY 2002, the agency replied to 2,158 requests for copies of reports or other documents.

In May of 2002, staff assembled 2200 Declaration of Candidacy packets. These packets were sent to county elections officials for distribution to individuals seeking office.

### **Compliance**

In addition to the time spent assisting filers and conducting investigations, compliance staff spent 1,035 hours reviewing filings and conducting desk and field audits, revealing that most filers were in substantial compliance with the disclosure laws.

### **Enforcement**

The Commission has the authority to conduct audits of reports filed by elected officials, candidates for public office, political party organizations, political committees, lobbyists, and other filers.

The Commission also has the authority to conduct investigations of complaints filed against elected officials, candidates for public office, political party organizations, political committees, lobbyists, and other persons subject to the law. Once an investigation has been completed and a report has been written, the case is either scheduled for an enforcement hearing or a dismissal letter is sent to the complainant.

The Commission holds two types of enforcement hearings, a brief or adjudicative enforcement hearing, or full Commission enforcement hearing.

The brief or adjudicative enforcement hearing is scheduled for less serious matters where the facts are undisputed. A single commissioner serves as the hearing officer, and if a violation is found, a civil penalty of no more than \$500 may be assessed for the violation(s). A full Commission enforcement hearing is held for filers who appear to be substantially out of compliance with the disclosure law or the facts of the case are in dispute. Evidence may be presented and testimony taken during this formal proceeding. If a violation is found, the Commission may impose a civil penalty up to \$1,000 for a single violation or \$2,500 for multiple violations. If the Commission determines that its penalty authority is insufficient, it may find "apparent violations" and refer the matter to the Office of the Attorney General for possible further legal action.

Below is a table indicating the number and types of complaints filed:

### Complaints/Enforcement Hearings/Investigations

	FY 2002
Formal Complaints Filed by Public	45
Formal Complaints Filed by PDC	1
PDC Generated Group Enforcement Complaints	579
Total Complaints	625
Formal Complaints Filed Against Candidates	25
Formal Complaints Filed by Public Against Candidates	24
Complaints Closed with Minor or No Action (No formal investigation and not included in above.)	63
Investigations Opened	625
Investigations Closed	592
Brief Enforcement Hearings Held	262
Full Enforcement Hearings Held and Reports to Commission Recommending Referral to AG	27
Total Hearings/Recommendations	289
Reviews of Brief Enforcement Hearings	29
Reconsiderations of Final Orders	9

Below is a summary of the full enforcement hearings held during FY 2002.

- **Amalgamated Transit Union Local 587 and Amalgamated Transit Union, Local 587 No on I-745 Committee—Case #01-219.** The Union was charged with violating RCW 42.17.040 through 42.17.090 by soliciting and accepting contributions from its members without registering and reporting as a political committee. The Union accepted approximately \$160,000 from its members through a special payroll deduction and used the funds to oppose Initiative 745.

The Commission accepted a stipulated agreement reached between staff and the Union in lieu of holding a full enforcement hearing. The Union acknowledged that the Commission would likely find multiple violations and agreed to pay a civil penalty of \$2,500 with an additional \$7,500 suspended, and to offer rebates to its members who opposed the use of their funds for this purpose. The Union also agreed to develop a protocol in conjunction with King County that will insure no further violations occur.

- **Bethel School District—Case #01-201.** The Bethel School District was the subject of a complaint alleging that it failed to comply with RCW 42.17.680, by failing to maintain open for public inspection a copy of each employee's request for

withholding wages for the purpose of making contributions to a political committee. Staff and the district reached a stipulated agreement.

The Commission accepted the stipulation, in which the district agreed that it had violated RCW 42.17.680 and agreed to pay a penalty of \$1,000, with \$500 suspended.

- **Clover Park School District—Case #01-202.** The Clover Park School District was also the subject of a complaint alleging that it failed to comply with RCW 42.17.680, by failing to maintain open for public inspection a copy of each employee's request for withholding wages for the purpose of making contributions to a political committee. Staff and the district reached a stipulated agreement.

The Commission accepted the stipulation, in which the district agreed that it had violated RCW 42.17.680 and agreed to pay a penalty of \$1,000, with \$500 suspended.

- **Metropolitan Mortgage & Securities Company—Case #01-181.** As a result of a staff generated complaint, Metropolitan Mortgage and Securities Co. and staff reached a settlement. The company acknowledged that the Commission would likely find it committed multiple violations of RCW 42.17.105 by making contributions in excess of \$5,000 during the 21 days preceding the 2000 General Election to the John J. Talbott for Strong Mayor Committee. The company, through its attorney, asserted the position that the application of RCW 42.17.105 violates the U.S. and Washington State Constitutions, but agreed to stipulate in order to avoid additional litigation expenses.

The Commission accepted the stipulation, which included a penalty of \$10,000, and an additional \$10,000 suspended.

- **Seattle School District—Case #01-200.** The Seattle School District was also the subject of a complaint alleging that it failed to comply with RCW 42.17.680, by failing to maintain open for public inspection a copy of each employee's request for withholding wages for the purpose of making contributions to a political committee. Staff and the district reached a stipulated agreement.

The Commission accepted the stipulation, in which the district agreed that it had violated RCW 42.17.680 and agreed to pay a penalty of \$1,000, with \$500 suspended.

- **Tacoma School District—Case #01-199.** The Tacoma School District was also the subject of a complaint alleging that it failed to comply with RCW 42.17.680, by failing to maintain open for public inspection a copy of each employee's request for withholding wages for the purpose of making contributions to a political committee. Staff and the district reached a stipulated agreement.



The Commission accepted the stipulation, in which the district agreed that it had violated RCW 42.17.680 and agreed to pay a penalty of \$1,000, with \$500 suspended.

- **James White—Case #01-184**. Mr. White, Mayor of Kent, was charged with violating RCW 42.17.750 by knowingly soliciting employees of the City of Kent, and RCW 42.17.130 by using public facilities to assist his campaign for re-election.

Mr. White and staff reached a stipulated agreement which included a fine of \$2,500 with \$1,500 suspended. At its December 4, 2001 meeting, the Commission rejected the stipulation.

The parties came forth at the February, 2002 meeting with a new stipulation that Mr. White pay a penalty of \$2,500. The stipulation was accepted by the Commission.

- **Lawrence Soriano—Case #02-263**. The Commission found Mr. Soriano in violation of RCW 42.17.040, 42.17.080 and 42.17.090 for exceeding limits of Mini reporting. The Commission assessed a penalty of \$1,000 with \$500 suspended.
- **Geoff Simpson—Case #01-130; Keven Rojecki—Case #02-277; John Gallup—Case #02-278**. The Commission accepted proposed Stipulations of Facts and Violations against Mr. Simpson, Mr. Rojecki and Mr. Gallup for violating RCW 42.17.130. The respondents used the facilities of the SeaTac Fire Department to assist Mr. Simpson's election campaign.

The Commission imposed the following penalties:

- **Geoff Simpson**, \$2,500 with \$500 suspended
- **Keven Rojecki**, \$1,000 with \$500 suspended
- **John Gallup**, \$1,000 with \$750 suspended
- **Jim Downs—Case #02-280**. In a matter related to the Simpson, et al. case, Fire Chief Jim Downs was found in violation of RCW 42.17.130 by authorizing the use of the City of SeaTac Fire Department resources to assist the 2000 election campaign of Geoff Simpson. Chief Downs was fined \$1,000.
- **Protect Our Pets & Wildlife—Case #02-263**. The Committee was charged with violating RCW 42.17.080 and 42.17.090 by failing to timely report over \$500,000 of orders placed and estimated expenditures during its 2000 campaign supporting Initiative 713. After hearing argument, the Commission found the Committee in apparent violation of RCW 42.17.080 and .090, and citing its limited penalty authority, referred the matter to the Office of the Attorney General for further action. However, the Commission asked that the matter be returned if the Attorney General does not take action in the matter.

- **Permanent Offense, Inc, Permanent Offense, Tim Eyman and Suzanne Karr—Case #02-281.** After hearing staff's report on the complaint it filed alleging that Mr. Eyman paid himself funds from Permanent Offense, a political committee, but failed to properly report them to the PDC or the public, the Commission unanimously recommended that the case be referred to the Office of the Attorney General. The Commission found the following apparent violations:
  - ♦ **Tim Eyman**
    - RCW 42.17.120 by concealing the purpose of campaign expenditures;
    - RCW 42.17.125 by expending campaign funds for personal use;
    - RCW 42.17.065 for failure to maintain adequate campaign records;
    - RCW 42.17.080 and 42.17.090 for failure to report in-kind contributions; and
    - RCW 42.17.780 for reimbursing himself for campaign contributions.
  - ♦ **Suzanne Karr**
    - RCW 42.17.120 by concealing the purpose of campaign expenditures; and
    - RCW 42.17.080 and 42.17.090 for failure to report in-kind contributions, orders placed, debts and obligations.
  - ♦ **Permanent Offense PAC**
    - RCW 42.17.080 and 42.17.090 for failure to report in-kind contributions, orders placed, debts and obligations;
    - RCW 42.17.065 for failure to maintain campaign records;
    - RCW 42.17.040 and 42.17.050 for failure to designate and report Tim Eyman as treasurer; and
    - RCW 42.17.780 for reimbursing Tim Eyman for contributions.
- **Citizens for Support of Yelm Schools & Janice R. McIntyre—Case #02-285.** Staff charged the Committee with violating RCW 42.17.040, 42.17.080 and 42.17.090 for failing to register and report as a political committee. The committee made expenditures supporting ballot measures in 1998, 2000 and 2002. The parties agreed on a stipulation, which included a penalty of \$5,000 with \$2,500 suspended. The Commission accepted the stipulation.
- **Gary Long, Burien City Manager—Case #02-269.** Mr. Long was charged with using the facilities of the City of Burien when he distributed materials opposing Initiative 747. The parties agreed on a Stipulation of Facts and Violation. The Commission ordered that Mr. Long pay a penalty of \$1,000.
- **Failure to File Statements of Financial Affairs**  
The following individuals were found in violation for failure to file the annual Statement of Financial Affairs, due by April 15. These individuals were brought

before the full Commission because of their reporting history or because they have outstanding penalties.

- **Stanley Hull**, Cape Flattery School Board Member, fined \$500 with \$250 suspended.
- **Walter Mazna**, Clark County Fire District 14 Commissioner, fined \$500 with \$250 suspended.
- **Gregory Nelson**, King County Fire District 20 Commissioner, fined \$500.
- **Sonia Shoptaw**, Newport School Board Member, fined \$500.
- **St. Clair Woodworth**, Port of Sunnyside Commissioner, fined \$1,000 with \$500 suspended.
- **William Wulff**, Orcas Island School Board Member, fined \$1,000 with \$500 suspended.
- **Derek Young**, Gig Harbor City Council Member, fined \$750 with \$500 suspended.
- **Leslie Martinez**, Enumclaw City Council Member, fined \$500.

## Citizen Action Letters

RCW 42.17.400(4) states, in part: “Any person who has notified the attorney general and the prosecuting attorney in the county in which the violation occurred in writing that there is reason to believe that some provision of this chapter is being or has been violated may himself bring in the name of the state any of the actions... This citizen action may be brought only if the attorney general and the prosecuting attorney have failed to commence an action hereunder within forty-five days after such notice and such person has thereafter further notified the attorney general...that said person will commence a citizen’s action within 10 days upon their failure to do so...”

During FY 2002, four citizen action letters were investigated.

- Mr. Bob Edelman filed a letter alleging that **Rick Luther, Kevin Esping and Christopher Hurst** violated RCW 42.17.530 by publishing, with actual malice, political advertising that contained false statements of material fact against Barry Kombol, candidate for Mayor of Black Diamond. Staff’s investigation revealed that the statements were not false statements or they did not meet the test of being made with actual malice. Acting upon staff’s recommendation, the Commission requested that the Attorney General take no action in this matter.
- Mr. Bob Edelman filed an additional citizen action letter against **Black Diamond Citizens for Responsible Government**. Mr. Edelman alleged that the committee published false statements of material fact against Barry Kombol, candidate for Mayor of Black Diamond, and it did so with actual malice. Staff’s report indicated that the statements were not false statements or they did not meet the test of being made with actual malice. Acting upon staff’s recommendation, the Commission requested that the Attorney General take no action in this matter.
- Subsequent to staff’s filing a complaint, a citizen action letter was filed against **Permanent Offense, et al.** See comments under “Enforcement” above.
- **National Education Association** was the subject of a citizen action letter filed by the Evergreen Freedom Foundation. This matter was scheduled to be brought to the Commission at its April 9, 2002 meeting. On April 8, 2002, EFF filed its own lawsuit against the NEA for violating RCW 42.17.760. The Commission took no action regarding this matter.

# Litigation

The following is a summary of major litigation occurring in FY 2002 in which the Public Disclosure Commission was a party. It does not include details of the superior court cases pursued to collect unpaid penalties imposed by PDC.

## State Courts

### State Supreme Court

- **Washington Education Association v. Public Disclosure Commission, Christine Yorozu, Gerry Marsh, Lois Clement, Susan Brady, & Ronda Cahill**, State Supreme Court No. 72877-1 (*Pending*). Challenge filed in September 2001 by the WEA to the PDC's *Guidelines for School Districts in Election Campaigns*. The Guidelines explain the prohibition in RCW 42.17.130 on the use of public facilities to support or oppose campaigns for candidates or ballot measures. The statute was first codified after the passage of Initiative 276. In May 2002, a King County Superior Court orally ruled that the WEA and its members have a free speech and association right to use public facilities for campaigns, despite the prohibitions in RCW 42.17.130. The PDC appealed the written rulings later entered to the State Supreme Court. The appeal is pending.

### Courts of Appeal

- **State ex rel. Public Disclosure Commission v. Washington Education Association**, Court of Appeals No. 28264-0-II (*Pending*). This is an appeal from a Thurston County Superior Court ruling in favor of the PDC and against the WEA in May 2001. The lawsuit was filed against the education employees union for alleged violations of RCW 42.17.760 (misuse of agency fee payer funds for political purposes) for the past 5 years. The trial court imposed a penalty of \$400,000, plus costs and fees, and a Permanent Injunction in December 2001. The WEA appealed to the Court of Appeals; oral argument has not yet been scheduled and the appeal is still pending.
- **Robert Edelman v. State of Washington ex rel. Public Disclosure Commission**, Court of Appeals Div. II No. 28563-1-II (*Pending*). This is a challenge filed in May 2001 to a PDC rule at WAC 390-16-311 concerning entity affiliation and a "staying out" provision, under Administrative Procedure Act. The challenge seeks repeal of the rule following Commission's denial of similar request from the Petitioner. The rule was adopted in 1994, and implements RCW 42.17.660, a statute that was part of Initiative 134 and which addresses the affect of contribution limits for entities and labor organizations. The PDC prevailed in the Thurston County Superior Court in February 2002; the Petitioner filed an

appeal with the Court of Appeals. The briefing is completed and the parties are awaiting an oral argument date.

### **Superior Courts**

- **State ex rel. Public Disclosure Commission v. Permanent Offense, Tim Eyman, Suzanne Karr**, Snohomish County Superior Court No. 02-2-08212-1 (*Pending*). The PDC filed a complaint against Permanent Offense et al. in April 2002 following a referral to the Attorney General's Office regarding alleged violations of 42.17 RCW. Permanent Offense et al. allegedly failed to maintain campaign records to document reimbursements for personal expenditures, failed to report in-kind contributions, among other claims. A judgment on behalf of the state was entered as to Tim Eyman and the political committee in August 2002; the remaining case against Ms. Karr is still pending.
- **Washington Education Association Political Action Committee v. Public Disclosure Commission**, King County Superior Court No. 01-2-29388-5KNT (*Pending*). This is a challenge filed in October 2001 by WEA-PAC to the PDC's enforcement of RCW 42.17.680 as it requires disclosure of public employee names for employees who use the payroll deduction method for political contributions. A Preliminary Injunction was entered in 2001 enjoining the PDC from requiring disclosure of certain contributor names; the case is scheduled for trial March 2003.
- **State ex rel. Public Disclosure Commission v. Sadie Charlene Cooney**, Spokane County Superior Court 01-2-00392-0 (*Trial completed, PDC prevailed, no appeals*). This lawsuit was filed against the Spokane County Assessor for her alleged violations of RCW 42.17.130 (prohibition on use of public facilities for ballot propositions or candidates) and 42.17.750 (prohibition on solicitation of contributions from public employees in an official's office). The trial was held March 2002 and the PDC prevailed. The court entered a civil penalty of \$5000 with \$2000 suspended for 4 years on condition of no future violations of RCW 42.17 by Ms. Cooney.

### **Federal Courts**

- **Max Kendziora v. Christine Gregoire, A.G., Joseph Lehman, John Doe et al., Victoria Roberts et al., Mark French et al., John Landenburg et al.** U.S District Court, Tacoma 01-5523RJB (*Dismissed*). This was an inmate's lawsuit filed in September 2001 against various state officials, including "John Doe Public Disclosure Commission." The plaintiff complained about a number of matters, including his conviction and designation as a sexually violent predator. He challenged the constitutionality of the sexually violent predator provision of state law and the public notification provisions. His case was dismissed.

## **Other Litigation - Amicus**

### **State Courts**

- **State ex rel. Public Disclosure Commission v. Washington Education Association** Supreme Court No. 72892-5; Court of Appeals Division II No.25272-4-II (*Pending; The PDC is not a party to the appeal but had intervened in one issue in the trial court, and was granted amicus status in the Court of Appeals*). Among other claims, this case involves the issue of whether the Washington Education Association is a "political committee" under chapter 42.17 RCW and whether the definition is constitutional. The state did not proceed with filing charges on this issue, so the citizen's action, through the Evergreen Freedom Foundation, proceeded with this and other claims. The WEA argued it was not a political committee. The WEA prevailed in the trial court and in the Court of Appeals in April 2002. A Petition for Review is pending in the State Supreme Court.

### **Federal Courts**

- **American Civil Liberties Union and Gary Peck v. Dean Heller and Frankie Sue Del Papa**. 9<sup>th</sup> Circuit Court of Appeals No. 01-15462 (*Pending; The PDC is not a party but was granted amicus status in the Ninth Circuit Court of Appeals*). This is a federal court appeal concerning Nevada's prohibition on anonymous political advertising. The Washington PDC is not a party but filed an amicus brief in August 2001 in support of Nevada. The case was recently remanded to the district court for further action on whether the ACLU has standing.